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PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1996-1997

Conditions of service and compensation for officials, other than Secretariat officials, serving the General Assembly: full-time members of the International Civil Service Commission and the Chairman of the Advisory Committee on Administrative and Budgetary Questions

Report of the Secretary-General

INTRODUCTION

1. The General Assembly, in paragraph 3 of its resolution 45/249 of 21 December 1990, decided that the compensation and other conditions of service of the full-time members of the International Civil Service Commission (ICSC) and of the Chairman of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) should next be reviewed at the fiftieth session of the General Assembly. The present report is submitted pursuant to that decision.

2. In order to facilitate consideration of the various issues regarding the compensation and conditions of service of these officials, the report has been divided into five sections: compensation, other conditions of service, post-retirement benefits, financial implications, and the next comprehensive review.

I. COMPENSATION

3. Beginning in 1980, review of the compensation and other conditions of service of the Chairman of ACABQ and the Chairman and Vice-Chairman of ICSC has taken place on a quinquennial basis. The last review was conducted in 1990. 1/

4. On the occasion of the 1990 review, the General Assembly reaffirmed the principle that the conditions of service of the three officials should be separate and distinct from those of the United Nations Secretariat. 2/ The Assembly decided that, with effect from 1 January 1991, their annual net compensation was to be $112,875, with an additional special allowance of $8,000 for the Chairman of the Advisory Committee and the Chairman of the Commission.

5. With effect from 1 January 1982, as a consequence of the adoption of General Assembly resolution 35/221 of 20 December 1980, the annual net compensation of the three officials is increased in January of each year by 90 per cent of the movement of the consumer price index (CPI) for New York since the last adjustment (rounded to the nearest whole number), provided that the index has increased by at least 5 per cent. 3/ The additional special allowance is not subject to annual adjustment. The movement of the CPI is measured over the period November to November on each occasion. The annual net compensation was increased by 7 per cent (90 per cent of the CPI increase of 7.6 per cent over the period November 1990-November 1992, rounded to the nearest whole number), with effect from 1 January 1993, to $120,776. Over the period November 1992-November 1994, the CPI increased by 4.7 per cent: the required trigger point was not reached and no adjustment has been made since 1 January 1993.

6. The Secretary-General recommends that the annual net compensation should remain as established by the General Assembly in resolution 45/249, subject to the interim adjustment procedure outlined above. Between November 1992 and August 1995, the consumer price index rose by 7.0 per cent. By November 1995 it is projected to be at a level approximately 7.1 per cent higher than that in November 1992. Accordingly, the compensation of the three officials would increase by 6.0 per cent to $128,023 (rounded to the nearest whole number). 4/ The special allowance of the Chairmen of ACABQ and ICSC should remain unchanged. As has been done in the past, relevant information on senior secretariat officials for the period 1983-1995 is provided in the annex to the present report.

II. OTHER CONDITIONS OF SERVICE

7. The other conditions of service of the Chairman of ACABQ and the Chairman and Vice-Chairman of ICSC for the period 1948-1990 were set out in the 1990 report of the Secretary-General. 5/ By its resolution 45/249, the General Assembly approved new provisions for the payment of installation grant to these officials, 6/ and compensation to survivors in the event of death during service. 7/ By the same resolution, the Assembly approved the proposal that the amount of reimbursement for costs of education be increased in line with Assembly resolution 43/226 of 21 December 1988 and subject to the same ceiling, together with application of provisions concerning disabled children; provision also continued to be made for one related trip per year from the place of scholastic attendance when outside the country of the duty station. Further, any increases decided by the General Assembly in the level of the education grant or changes in the provisions regarding disabled children were extended to the three officials. 8/ The General Assembly decided that the other conditions

of service for these officials, with the exception of the level of pensionable remuneration (see sect. III below), should remain unchanged.

8. ICSC reviewed the education grant in 1990, 1992 and 1994. By section X of its resolution 45/241 of 21 December 1990, section IV of its resolution 47/216 of 23 December 1992, and section V of its resolution 49/223 of 23 December 1994, the General Assembly approved increases in the maximum reimbursement levels in various currency areas for the education grant. It will next review the grant in 1996.

9. No change is proposed with regard to the manner of application of these other conditions of service of the Chairman of ACABQ and the Chairman and Vice-Chairman of ICSC at this time.

III. POST-RETIREMENT BENEFITS

10. The situation with regard to post-retirement benefits for these three officials during the period 1978-1990 was outlined in the 1990 report of the Secretary-General. 9/ They became participants in the United Nations Joint Staff Pension Fund (UNJSPF), under supplementary article B of the Regulations of the Fund, with effect from 1 January 1983. Their pensionable remuneration was set at $120,000 a year, subject to adjustment on the same dates and by the same percentage amounts as applicable to staff in the Professional and higher categories, under article 54 of the Regulations.

11. In the light of section III of General Assembly resolution 39/246 of 18 December 1984, which removed the direct linkage between pensionable and gross salaries, the pensionable remuneration of the three officials remained unchanged from 1983 through 1990.

12. On the occasion of the 1990 review, the Secretary-General expressed the view that the pensionable remuneration of the three officials should remain unchanged. At that time, the pensionable remuneration applicable to an Under-Secretary-General and an Assistant Secretary-General were $130,560 and $120,800, respectively. 10/ ACABQ, noting that the movement in the CPI from 1 January 1983 to 1 October 1990 was 44.8 per cent, and that application of this inflation factor would result in an adjustment of the initial level to $173,760, believed that it would not be unreasonable to increase the level of pensionable remuneration of the Chairman of ICSC to $140,000 and the Vice-Chairman to $130,000. By its resolution 45/249, the General Assembly approved that recommendation, with effect from 1 January 1991.

13. The pensionable remuneration of the Chairman of ACABQ and the Chairman of ICSC remains at $140,000 per annum, and that of the Vice-Chairman of ICSC at $130,000 per annum, as established by the General Assembly in 1990. It is useful to recall two observations made by ACABQ in its report to the General Assembly at its twenty-ninth session:

> "The essential consideration is to ensure that the full-time commissioners [of ICSC] are seen to be independent of the top echelon

of the secretariats. To that end they should have conditions of service distinct from those of the Secretariat ..."

"The remuneration of the full-time commissioners should be set by the General Assembly outside the common system, so that they should not be personally affected by the recommendations they would be called upon to make in exercise of their functions." 11/

14. In this vein, the Secretary-General, in his report to the General Assembly at its thirty-eighth session, noted:

"After careful review of the developments over the years, it seems obvious that the basic principles enunciated in the past should continue to apply, namely, that the compensation and other conditions of service of the full-time officials other than staff members should continue to be set by the General Assembly and that there should be no direct or automatic link to the salary system applicable to staff of the United Nations common system. At the same time, it is useful to recall the views expressed by the Secretary-General in the comprehensive study undertaken in 1976 on the criteria to be applied to determine the emoluments of the members of the International Court of Justice, namely, that 'the United Nations system forms, in a sense, a structure within which the interrelationship between the top posts has probably more importance than comparison with positions outside the United Nations'. It is for this reason that the long-standing practice has been to take into account the level of remuneration of senior Secretariat officials in determining the appropriate remuneration for members of organs or subsidiary organs of the United Nations appointed by the United Nations to serve in their individual capacity on a full-time basis." 12/

15. Adoption of the approach approved by the General Assembly in resolution 45/249 would result in a movement in the CPI from 1 January 1991 to 1 August 1995 of 13.8 per cent: application of this factor would result in an adjustment of the level of $140,000 to $159,000 for the Chairman of ACABQ and the Chairman of ICSC, and an adjustment of the level of $130,000 to $148,000 for the Vice-Chairman of ICSC.

16. However, by section III, paragraph 3 of its resolution 46/192 of 20 December 1991, the General Assembly endorsed the recommendations of ICSC that officials appointed or elected to ungraded posts who become participants in UNJSPF should have their pensionable remuneration determined in accordance with the methodology set out by the Commission. 13/ This methodology is based on the concept of income replacement; the General Assembly may wish to consider applying it to the three officials. Applying resolution 46/192 and given the projected level of compensation as at 1 January 1996 set out in paragraph 6 above, the corresponding amount of pensionable remuneration would be $164,900 for the two Chairmen and $153,100 for the Vice-Chairman. As of November 1995, the pensionable remuneration of an Under-Secretary-General is projected to be $164,284 and that of an Assistant Secretary-General $152,003.

17. The Secretary-General would note the two approaches which could be used to establish the pensionable remuneration of these officials, and the fact that the latter approach has become available by decision of the General Assembly since the date of the last review. Adoption of the latter approach would remove an anomalous situation and would bring future adjustment of the pensionable remuneration of these officials into line with that of other officials appointed or elected to ungraded posts. In the light of these considerations, the Secretary-General recommends that the methodology set out in resolution 46/192 be applied henceforth to these officials in determining their pensionable remuneration. In this way, the pensionable remuneration for these officials would be adjusted at the same time and by the same percentage as that used to adjust their compensation.

IV. FINANCIAL IMPLICATIONS

18. Should the General Assembly approve the suggestions outlined in paragraphs 6 and 16 above, it is estimated that additional requirements of $56,000 a year (or $112,000 for the biennium 1996-1997) would arise in 1996-1997. Accordingly, additional appropriations of $37,400 and $74,600 would be required under sections 1 and 27, respectively, of the programme budget for the biennium 1996-1997. In connection with additional requirements of $74,600 under section 27, that amount would be offset by an increase of $53,400 under income section 2, representing reimbursement by other organizations to the United Nations of their share of the cost of ICSC.

V. NEXT COMPREHENSIVE REVIEW

19. In accordance with the decision taken by the General Assembly in paragraph 2 of its resolution 35/221 in respect of the periodic review of the compensation and other conditions of service of the Chairman of ACABQ and the Chairman and Vice-Chairman of ICSC, the next comprehensive review will be undertaken at its fifty-fifth session in 2000.

Notes

1/ Background information on the compensation of these three officials for the period 1948-1990 is contained in the report of the Secretary-General to the General Assembly at its forty-fifth session (A/C.5/45/21, paras. 3-15; see also General Assembly resolutions 35/221 of 17 December 1980 and 40/256 of 18 December 1985.

2/ See General Assembly resolution 45/249 of 21 December 1990, and the fourteenth report of ACABQ on the programme budget for the biennium 1990-1991 (A/45/7/Add.13).

3/ See also document A/C.5/35/53, para. 11.

4/ Ibid., para. 11 (b).

5/ See document A/C.5/45/21, paras. 16-28.

6/ The grant was not payable to the incumbents at that time and is applicable to their successors only if they were not residing at the duty station at the time of their appointment (ibid., paras. 42-43 and 45, and the related report of ACABQ (A/45/7/Add.13), para. 3).

7/ Comprising a lump-sum equivalent to one month of the annual compensation of the official per year of service, subject to a minimum of three months and a maximum of nine months (see document A/C.5/45/21, paras. 44 and 45, and the related report of ACABQ (A/45/7/Add.13), para. 3).

8/ Document A/C.5/45/21, paras. 46-48, and the related report of ACABQ (A/45/7/Add.13), para. 4.

9/ Document A/C.5/45/21, paras. 29-31.

10/ In January 1983, the equivalent amounts were $132,858 and $117,891.

11/ Document A/9891, paras. 18 and 37.

12/ Document A/C.5/38/27, para. 41.

13/ See Report of the International Civil Service Commission for the Year 1991 (Official Records of the General Assembly, Forty-sixth Session, Supplement No. 30 (A/46/30), vol. I, paras. 64-66.

Annex

Evolution of the annual net compensation of the Chairman of ACABQ and the Chairman and Vice-Chairman of ICSC compared with that of senior Secretariat officials in New York

(United States dollars)

			Assistant Secretary-General		Under Secretary-General	
	Chairman of ACABQ and ICSC a/	Vice-Chairman of ICSC	With dependant c/	Without dependant c/	With dependant d/	Without dependant d/
Jan.1983	80 978	75 978	73 530	67 252	80 878	73 790
Jan.1986	87 056	82 056	83 202	75 972	91 419	82 966
Jan.1990	106 418	101 418	92 970	84 884	102 061	92 562
Jan.1991	120 875	112 875	106 850	96 752	117 228	105 145
Jan.1992	120 875	112 875	111 058	100 690	121 814	109 758
Jan.1993	128 776	120 776	116 050	105 233	127 257	114 673
Jan.1994	128 776	120 776	118 110	107 094	129 504	116 808
Jan.1995	128 776	120 776	121 263	110 000	132 942	119 880
Jan.1996 (projected)	136 023 b/	128 023 b/	123 688 e/	112 200 e/	135 601 e/	122 278 e/
Percentage increase	68.0	68.5	68.2	66.8	67.7	65.7

a/ Including a special allowance of $5,000 until 1 January 1991 and $8,000 thereafter.

b/ Assumes a 6 per cent interim adjustment to annual net compensation and current entitlements for other conditions of service.

c/ Including a representation allowance of $3,000 per annum.

d/ Including a representation allowance of $4,000 per annum.

e/ Assuming a 2 per cent adjustment effective 1 November 1995.